

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 50 AND 247
FORT WAYNE, INDIANA

January 1, 2004 to December 31, 2004



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Schedule of Collections and Distributions.....	4
Notes to Schedule of Collections and Distributions	5
Statistical Information.....	6
Examination Results and Comments:	
Inaccurate Time Records	7
Inventory Control	7
Affidavit of Eligibility for Municipally Owned License Plates.....	7
Missing Plate Affidavits.....	7
Accountable Items	7-8
Branch Journal.....	8
Year-End Inventory (Hold for Audit)	8
Bank Account Long	8-9
Deposit Composition	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman, Bureau of Motor Vehicles Commission	Gerald Coleman Mary DePrez Joel Silverman	01-06-02 to 02-29-04 03-01-04 to 01-09-05 01-10-05 to 01-11-09
Branch Manager	Tersina L. Osborn Barbara A. Robinson	01-01-04 to 10-10-05 10-11-05 to 12-31-05



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Numbers 50 and 247 (Branch) for the period of January 1, 2004 to December 31, 2004. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 30, 2005

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBERS 50 AND 247
 FORT WAYNE, INDIANA
 SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS
 January 1, 2004 to December 31, 2004

	Branch Number 50	Branch Number 247	Totals (Memorandum Only)
Collections:			
Registrations	\$ 4,960,174	\$ 423,900	\$ 5,384,074
Titles	1,370,380	-	1,370,380
Drivers licenses	353,918	-	353,918
Watercraft	93,503	-	93,503
Miscellaneous	1,571	-	1,571
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 6,779,546</u>	<u>\$ 423,900</u>	<u>\$ 7,203,446</u>
Distributions:			
State fees	\$ 2,510,740	\$ 85,729	\$ 2,596,469
County tax	3,436,395	300,996	3,737,391
Commission fees	832,411	37,175	869,586
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 6,779,546</u>	<u>\$ 423,900</u>	<u>\$ 7,203,446</u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 50 AND 247
FORT WAYNE, INDIANA
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles, and drivers licenses are sold. Fees are uniform throughout the state.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

Note 4. Self-Service Terminal

This report contains financial and statistical information for Fort Wayne Southgate License Branch Number 50 and Fort Wayne Southgate License Branch Number 247, a self-service terminal (SST). The manager of Fort Wayne Southgate License Branch Number 50 is responsible for maintaining the SST.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBERS 50 AND 247
 FORT WAYNE, INDIANA
 STATISTICAL INFORMATION
 January 1, 2004 to December 31, 2004

<u>Transactions Processed</u>	<u>Branch Number 50</u>	<u>Branch Number 247</u>	<u>Totals (Memorandum Only)</u>
Vehicle registrations:			
Passenger	36,387	3,577	39,964
Motorcycle	877	90	967
RV (housecar)	257	16	273
Light truck	7,787	691	8,478
Other truck	376	3	379
Farm truck	26	-	26
Tractor	21	-	21
Trailer	2,317	135	2,452
Semitrailer	161	-	161
School and church bus	44	1	45
Other bus	7	-	7
Other	44	-	44
Total vehicle registrations	<u>48,304</u>	<u>4,513</u>	<u>52,817</u>
Drivers licenses and permits:			
Drivers licenses/learners permits	13,721	-	13,721
CDL licenses/CDL permits	585	-	585
Placards	2,484	-	2,484
Other	13,695	-	13,695
Total drivers licenses and permits	<u>30,485</u>	<u>-</u>	<u>30,485</u>
Titles:			
Vehicles	25,897	-	25,897
Watercraft	293	-	293
Total titles	<u>26,190</u>	<u>-</u>	<u>26,190</u>
Total watercraft registrations	<u>1,057</u>	<u>-</u>	<u>1,057</u>

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 50 AND 247
FORT WAYNE, INDIANA
EXAMINATION RESULTS AND COMMENTS

INACCURATE TIME RECORDS

Six of seven weekly time records tested were mathematically inaccurate. The total hours worked column of the time record did not agree with the hours posted. A similar comment appeared in prior Audit Report B24283.

Employee weekly time records should be mathematically correct. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Page 9:4)

INVENTORY CONTROL

Accountable items (i.e., temporary disability placards) were not accurately maintained. A similar comment appeared in prior Audit Report B24283.

Instructions for maintaining logs of accountable items are given to the branch managers. (Branch Operations Policies and Procedures Manual, Equipment and Supplies Chapter)

AFFIDAVIT OF ELIGIBILITY FOR MUNICIPALLY OWNED LICENSE PLATES

Affidavits of eligibility for municipally owned license plates (State Form 45616) were not available for audit.

An affidavit of eligibility for municipally owned license plates (State Form 45616) must be completed or on file for each municipal unit issued a municipal license plate. (Bureau of Motor Vehicles Registration Manual)

MISSING PLATE AFFIDAVITS

One of the three missing plate affidavits tested was not filed in a timely manner.

Missing plate affidavits are to be submitted when an accountable item listed on the consignment sheet is initially discovered missing. (Branch Operations Policies and Procedures Manual, Equipment and Supplies Chapter)

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2004. No evidence was found to indicate these items have been sold. A similar comment appeared in prior Audit Report B24283.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 50 AND 247
FORT WAYNE, INDIANA
EXAMINATION RESULTS AND COMMENTS
(Continued)

<u>Year</u>	<u>Plate Type</u>	<u>Plate Number</u>
2006	Hoosier Safety	EM2624
2006	Specialty	PD1332
2007	Passenger	2BR121
2007	Passenger	2BR794
2007	Passenger	2BT168
2007	Passenger	2BT951
2007	Passenger	2E1669
2007	Passenger	2JA547
2007	Truck 7,000	363293A
2007	Truck 11,000	7740B
2008	Farm Semi - Perm	13625

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

BRANCH JOURNAL

The Branch journal was inadequately maintained. The bookkeeper was rewriting pages of the Branch journal on a regular basis against the directive of the Branch Manager. At the time of the examination, seven months' records of the original Branch journal could not be located. The monthly reconciliations of the Branch journal to the bank statement disagreed by various amounts during the year and had to be corrected by Audit Services. The variances in the monthly reconciliations continue to be a problem in 2005.

The branch journal is to be updated and maintained daily to account for balances in the branch clearing accounts and to identify differences between the bank balance and journal balance. (Branch Operations Policies and Procedures Manual, Journal/Balancing Chapter)

YEAR-END INVENTORY (HOLD FOR AUDIT)

Hold for Audit Inventory was not properly documented. The items listed on the Hold for Audit sheets did not correspond with the contents of the boxes.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 1, 2004, from the Audit Services Director)

BANK ACCOUNT LONG

The bank account was reconciled at December 31, 2004, and found to contain cash in excess of the records of \$148.51. A similar comment appeared in prior Audit Report B24283.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 50 AND 247
FORT WAYNE, INDIANA
EXAMINATION RESULTS AND COMMENTS
(Continued)

All accounts are required to be balanced on a monthly basis. All unidentified cash shortages and overages of twenty dollars or more must be reported to Branch Operations before the next Trial Balance is performed. (Branch Operations Policies and Procedures Manual, Journal Chapter, Miscellaneous Branch Procedures Chapter)

DEPOSIT COMPOSITION

The composition of cash, checks and credit card totals per the cash register tape did not agree with the breakdown on the bank deposit tickets and credit card deposit forms on 90% of the invoices tested. A similar comment appeared in prior Audit Report B24283.

Transactions must be entered into the register according to the correct department and payment category keys at all times. (Branch Operations Policies and Procedures Manual, Periodic Reconcilements Chapter) IC 5-13-6-1 states in part: "Public funds . . . shall be deposited in the same form in which they were received."

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 50 AND 247
FORT WAYNE, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2005, with Barbara A. Robinson, Branch Manager. The official concurred with our findings.